

Message Text

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PAGE 01 STATE 077387
ORIGIN EB-08

INFO OCT-01 AF-10 ARA-14 EUR-12 EA-12 ISO-00 AGRE-00
CEA-01 CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-10
INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-02 CTME-00
AID-05 SS-15 STR-07 ITC-01 TRSE-00 USIA-15 SP-02
SOE-02 OMB-01 DOE-15 /153 R

DRAFTED BY EB/OT/STA:C H BLUM:CMS
APPROVED BY EB/OT/STA:J S SPIRO
TREASURY:P EHRENHAFT
-----128146 250813Z /14

R 250006Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY MEXICO
AMEMBASSY OTTAWA
AMEMBASSY PRETORIA
INFO AMEMBASSY BRUSSELS
AMEMBASSY TOKYO

UNCLAS STATE 077387

USEEC

E.O. 11652:N/A

TAGS:ETRD, US, MX, CA, SF

SUBJECT:TRIGGER PRICE SYSTEM: POSSIBLE DUMPING OF WIRE ROD

1. THE WASHINGTON POST RAN FOLLOWING AP ITEM MARCH 24.
2. BEGIN TEXT. 7,500 TONS OF STEEL WIRE ROD IMPORTED BELOW TRIGGER LEVEL

ABOUT 7,500 TONS OF STEEL WIRE ROD WERE IMPORTED INTO THE UNITED STATES AT PRICES BELOW THE NEW TRIGGER PRICE FOR UNCLASSIFIED

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STEEL IMPORTS DURING A RECENT THREE-WEEK PERIOD, A TREASURY DEPARTMENT OFFICIAL SAID YESTERDAY.

BUT PETER EHRENHAFT, A DEPUTY ASSISTANT SECRETARY FOR TARIFF AFFAIRS, SAID A DECISION HAS NOT YET BEEN MADE WHETHER TO CONDUCT A FORMAL INVESTIGATION TO SEE IF THE PRICES WERE UNFAIRLY LOW IN VIOLATION OF THE NATION'S ANTI-

DUMPING LAWS.

HE SAID THE CASES COULD BECOME THE FIRST INSTANCE IN WHICH THE TREASURY DEPARTMENT SEEKS TO ENFORCE THE SYSTEM OF TRIGGER PRICES WHICH WERE PUT INTO EFFECT EARLIER THIS YEAR TO PROTECT U.S. STEEL PRODUCERS FROM UNFAIR FOREIGN COMPETITION.

HE SAID THE 7,500 TONS OF STEEL CAME FROM MEXICO, CANADA, AND SOUTH AFRICA BETWEEN FEB. 21 AND MARCH 13. HE ADDED THAT PRODUCERS IN BOTH CANADA AND MEXICO HAVE CONTENTED THAT WHILE THEIR STEEL WAS PRICED BELOW THE LEVEL SET BY TREASURY, THE PRICES WERE FAIR.

EHRENHAFT SAID ASSESSING PENALTIES AGAINST THE STEEL WOULD BE UNJUSTIFIED IF THE PRICES WERE FOUND TO BE FAIR. OFFICIALS SAID THEY ARE CONDUCTING A KIND OF "PRE-INVESTIGATION" OF THE IMPORTS TO DETERMINE WHETHER TO CONDUCT A FULL PROBE.

OTHER THAN THE IMPORTS OF WIRE ROD, EHRENHAFT SAID, THE TREASURY DEPARTMENT DOES NOT HAVE INFORMATION ON OTHER STEEL IMPORTS THAT MAY HAVE ENTERED THE COUNTRY AT PRICES UNDER THE TRIGGER LEVEL.

HE SAID ALSO IT IS TOO EARLY TO SAY WHETHER THE NEW
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SYSTEM IS HAVING THE EFFECT OF REDUCING STEEL IMPORTS, SOMETHING THE U.S. STEEL INDUSTRY HOPES WILL BE THE RESULT.

TRIGGER PRICES, WHICH HAVE BEEN ESTABLISHED FOR VARIOUS CATEGORIES OF IMPORTED STEEL, ARE INTENDED TO SET A FAIR PRICE, BUT NOT A MINIMUM PRICE. IF A FOREIGN PRODUCER COULD JUSTIFY THE FAIRNESS OF THE PRICE, IT WOULD BE PERMITTED.

HOWEVER, IF A PRICE UNDER THE TRIGGER LEVEL WERE HELD TO BE UNFAIR, THE TREASURY DEPARTMENT COULD ASSESS A SPECIAL DUMPING DUTY AGAINST IT.

MEANWHILE, EHRENHAFT ANNOUNCED THAT THE TREASURY DEPARTMENT HAS SET ADDITIONAL TRIGGER PRICES FOR CERTAIN STEEL PRODUCTS THAT WERE PREVIOUSLY UNCOVERED, INCLUDING CONCRETE REINFORCING BARS, STRUCTURAL SHAPES, PIPE AND TUBING AND STRIP.

HE SAID TRIGGER PRICES REMAIN TO BE SET ON A SMALL NUMBER OF PRODUCTS. END TEXT. VANCE

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PAGE 01 STATE 077387
ORIGIN EUR-12

INFO OCT-01 ISO-00 /013 R

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DRAFTED BY:EUR/RPE:EACASEY
APPROVED BY:EUR/RPE:EACASEY
-----010210 280803Z /10

R 280700Z MAR 78
FM SECSTATE WASHDC
TO AMEMBASSY PARIS

UNCLAS STATE 077387

OECD

FOL STATE 077387 SENT ACTION MEXICO OTTAWA PRETORIA INFO
BRUSSELS TOKYO MAR 25, 1978 REPEATED TO YOU QUOTE

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USEEC

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE DISCRIMINATION, STEEL, PRICES, TRADE COMPLAINTS, WIRE PRODUCTS, IMPORT PRICES, ANTIDUMPING LAW (TRADE)
Control Number: n/a
Copy: SINGLE
Draft Date: 25 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
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Expiration:
Film Number: D780136-0741, D780131-1046
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780325/aaaaaurv.tel
Line Count: 229
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Message ID: c4a9adbd-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EB
Original Classification: UNCLASSIFIED
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Original Previous Classification: n/a
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Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3203058
Secure: OPEN
Status: NATIVE
Subject: TRIGGER PRICE SYSTEM: POSSIBLE DUMPING OF WIRE ROD
TAGS: ETRD, US, MX, CA, SF, TRIGGER PRICE MECHANISM
To: MEXICO OTTAWA MULTIPLE
Type: TE
vdkgvkey: odb://SAS/SAS.dbo.SAS_Docs/c4a9adbd-c288-dd11-92da-001cc4696bcc
Review Markings:
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Declassified/Released
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EO Systematic Review
20 Mar 2014
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